

Employee Performance Evaluations, Good or Bad?

Executive Development

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ABSTRACT

The problem is that the Stoughton Fire Department did not have a mechanism for annually evaluating employee performance including employees during their one-year probationary period. The purpose of this research was to determine whether or not to institute an employee evaluation program in the Stoughton Fire Department.

The research questions were:

1. What are the problems and benefits to conducting performance evaluations?
2. What are the legal considerations in regards to conducting annual performance evaluations?
3. What performance factors should be included in annual performance evaluations?

Action research was used to answer these questions. The procedures included literature review and Internet exploration to determine the answers to the research questions.

The research determined that the problems created by conducting employee evaluations were actually created by the raters. The benefits for conducting employee evaluations were identified as helping the employee set and attain goals, determining areas of needed improvement and matching the special abilities of the employee to the needs of the organization. The research also determined that there are no laws mandating evaluations, however the research cautions that those organizations not conducting evaluations might have a potential liability. There were no specific performance factors suggested for inclusion identified by the research. All factors used should be based on recognized standards in order to avoid liability for inconsistent ratings.

Four recommendations were made as a result of this research:

- 1) The individuals conducting the evaluations need to be trained in the best way to write and deliver an evaluation.
- 2) A significant benefit of conducting employee evaluations is helping them, whereby they help the organization. To begin this process, employees must be involved in the formation of the evaluation and it's procedures.
- 3) Further research needs to made to determine how mandatory bargaining laws will effect the process. Regardless of this outcome however, both the town and the labor organization must approve the final document and policy.
- 4) The standards included in the final policy must be applied to everyone in the same job classification.

A policy statement has been created recommending that the Stoughton Fire Department begin work on developing an employee evaluation system and is found in Appendix A.

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INTRODUCTION

The problem is that the Stoughton Fire Department did not have a mechanism for annually evaluating employee performance including employees during their one-year probationary period.

The purpose of this research was to determine whether or not to institute an employee evaluation program in the Stoughton Fire Department.

All too often employees come to work, perform their essential functions and go home without ever knowing how well they're doing or if they need to improve. We have employees that just show up to collect their paychecks with little thought as to how well or how poorly they're doing. Much has been written about the Generation X employees and how their work ethic is different from the Baby Boomers. The fire service still has high expectations of its employees but how do we communicate those expectations to them.

An action research methodology process was used.

The research questions are:

- 1) What are the problems and benefits to conducting performance evaluations?
- 2) What are the legal considerations in regards to conducting annual performance evaluations?
- 3) What performance factors should be included in annual performance evaluations?

BACKGROUND AND SIGNIFICANCE

The Stoughton Fire Department is a career organization of 57 sworn and 3 civilian personnel protecting over 30,000 residents with an annual call volume of 4200 incidents. The organization is comprised of 44 firefighters, 5 lieutenants, 5 captains, 2 deputy chiefs and the fire chief.

In February of 1998 a new chief was placed in the Stoughton Fire Department following a detailed analysis of the department and its personnel. This detailed analysis was performed by the MMA Consulting Group and resulted in seventy-five recommendations to improve the organization. One of the observations made by the consultants was that there has been no career counseling or employee development at anytime in the organization's history. This was due partly to the fact that all positions including that of the Fire Chief (until 1998) were under the rules of the Civil Service Commission. If you tested well, you got the job. It was up to employees to develop themselves if they wanted a promotion.

This created a system that at times would not recognize employee performance but rate them solely on how they tested on that given Saturday. Management took no further steps to promote education or training, which resulted in members being ill prepared to handle any new assignments. In addition to the lack of training or education, employees were never given a review of their performance, which included reviews during their probationary period. In fact, despite the verbal recommendation for termination from their line officers, there has never been an employee released from his probationary period.

The only thing an employee needed to do was be present and he would move into a life long career in the fire service whether he was capable or not. The staff of the MMA Consulting

Group recognized a need to perform employee development when they studied the management of the Stoughton Fire Department.

During a lecture given by Mr. Curt Varone during the Executive Development course at the National Fire Academy, it was apparent that an employee evaluation process was not only good for the employees but also necessary to document job performance problems. Mr. Varone discussed in Unit 11- Legal Issues, the need to document employee performance from the disciplinary perspective and conducting employee evaluations as part of a good strategy to manage employees.

Because the members of the Stoughton Fire Department are represented by the International Association of Fire Fighters Local 1512, any immediate change would have to take place with the probationary employees while the other members have the right to bargain the impact of the employee evaluation as a change in working conditions. But, should evaluations be done at all?

LITERATURE REVIEW

There has been a lot of talk in the fire service about benchmarking your department's abilities, self-assessments and accreditation. These are complex evaluations that examine the performance of an entire organization and its government. An employee evaluation is all of that but on a smaller scale, for one member of the organization. IFSTA's 2nd edition of *Fire Department Company Officer* (1989) begins the section entitled "Employee Evaluation" with two sentences that describe the employee evaluation process very simply – "The most productive way to harness the individual's potential is to align the requirements of the organization with the aspirations and skills of the individual. The best way to monitor this alignment is with employee evaluations". "Chief Alan Brunacini of the Phoenix Fire Department summed it all up in the five things he lists that firefighters want from their supervisors – Tell me what you want, train me to do it, give me the tools to accomplish it, get out of my way and tell me how I did" (Laford, 1998)

Lord & Taylor, a department store used the first formal evaluation process in 1913. They rated the employees by their personality traits rather than their ability to do the job or their results. Performance appraisals over the years have evolved to become the preferred method for observing, evaluating and measuring employee performance (Cadwell, 1995).

The Positives

Informal evaluations or the day to day evaluation that is often made by peers and supervisors alike, does not help the employee "get aligned" with the department's goals. According to IFSTA (1989), the purpose of an evaluation is to determine how the firefighter is contributing to the department and how can the department contribute to the goals of the

firefighter. The informal evaluation is based solely on the opinion of the rater, which may not always be a supervisor but more importantly, may not be aligned with the organization. This type of evaluation creates a problem for organizations, which they can either choose to ignore or institute a formal evaluation process.

By instituting a formal process, the employee has the ability to respond to any negative comments as well as being made aware of the positive characteristics they possess. Laford in his 1998 *Responder Magazine* article summed this up by stating “the issues discussed at the formal evaluation should not be a surprise to anyone involved. Rather, the evaluation should be a review of the informal performance related interaction between the employee and the supervisor”. These day to day evaluations are important but they also need to be summarized in a formal evaluation.

Employee evaluations must be productive and they should not only be examining employee performance but also providing an opportunity for the employee and the supervisor to meet one on one establishing goals and objectives. There are 10 benefits of productive performance evaluations according to Sachs (1992):

- Employees learn of their strengths and weaknesses
- New goals and objectives are agreed upon
- Employees can be active participants in the evaluation process
- The relationship between the supervisor and the employee is moved to an adult-adult level
- Work teams may be restructured for maximum efficiency
- Employees renew their interest in being part of the organization
- Training needs are identified
- Time is devoted to discussing quality of work without regard to money issues

- The supervisor becomes more comfortable with conducting evaluations
- Employees feel that they are taken seriously as individuals and that the supervisor is concerned about their needs and goals

The International City Managers Association in their *Managing Fire Services* (1979) list five objectives of an employee performance appraisal as:

- 1) to provide evaluative feedback to management and the employee about their compliance with rules and productivity expectations
- 2) serves as a foundation for guidance and identifies areas of needed professional development
- 3) to discover personnel with talents or abilities for special assignments
- 4) to justify adjustments in compensation or position
- 5) to foster a Management By Objectives program

These objectives are geared toward “aligning the employee with organization”. It is because of this, that it is critical for the employee to set individual goals for a set period of time so that the two can work toward helping one another.

Daft (1994) states a “performance appraisal comprises the steps of observing and assessing employee performance, recording the assessment and providing feedback to the employee”. It is the manner in which a supervisor delivers the assessment that can have a biggest impact on the employee. The evaluation must be a good balance between positives and negatives in order to encourage employees to change their job performance.

The Negatives

Employee evaluations can have drawbacks as well. In addition to the damage that can be created by a strictly negative evaluation, Bacal & Associates (1999) lists three reasons why evaluations fail:

- 1) They are not objective
- 2) Lack of specific comments will not promote development
- 3) They can appear unfair

It is because it hard for supervisors to evaluate their subordinates objectively, the evaluation process can suffer. When a supervisor is faced with deciding between two rating factors, the objectivity may fall away and leave room for subjective opinion. This is also where the unfairness of the evaluation may come into play. This can be helped by the supervisor providing detailed comments about the employee's performance with specific incidents or occurrences to help the employee understand. However, it has been previously stated that overly negative evaluations can be just as unproductive.

Another source of problems with employee evaluations is the supervisors attempt to remain consistent. While their intentions are good, many supervisors tend to inadvertently rate employees too consistently. For example, the "halo effect" occurs when the employee receives the same rating in all dimensions when his performance is not the same for those areas. Another example is referred to as homogeneity, when a supervisor gives all of the employees the same rating even though their performance is different Daft(1993).

In addition to these errors Thaxon (1999), lists five major evaluator errors as:

- Overly positive evaluations
- Overly critical evaluations

- Uniformly neutral evaluations
- Single event evaluations
- Most recent event evaluations

These errors can be avoided by providing the rater specific behavior statements to rate the employee against.

Legal Considerations

Mark Murphy, J.D. in his CFC Magazine article (1999) states “Because the performance evaluation process can be a virtual landmine of liability, approach the process cautiously”.

Performance evaluations are not required by law, however they might be used in employment related lawsuits. As with the National Fire Protection Association Standards, they are not laws but have been used against fire service agencies in lawsuits. Van Thaxon, (1999) suggests “The absence of performance evaluations may suggest that you (employer) made no effort to work with the employee and to improve his performance”. Ms. Thaxon further suggests that if you failed to conduct performance evaluations and an employee was terminated, that you accepted his poor performance and terminated the employee for other reasons.

The Equal Employment Opportunity Commission requires that any measurement used to separate employees must be valid and fairly administered. In fact, the Americans with Disabilities Act suggest that disabled employees be treated no differently than any other employee. This is why the evaluation tool must be focused on the requirements of the job and not the personality of the employee (Cadwell, 1995).

Employee evaluations are used to align the employee’s goals with those of the organization. The legal consideration for this philosophy must ensure that the rights of the

employee are not violated. To ensure the rights of all employees, performance evaluations must use job related performance objectives as criteria (IFSTA, 1989). IFSTA suggests using these two tests to determine appropriateness:

- 1) Is the employee performing the job or task to acceptable standards?
- 2) Is the employee performing the job or task in a manner compatible with the requirements of the job or task?

The critical component of a legally acceptable evaluation is that every employee in the same job classification is judged the same. Court cases have declared that weight, height, race, and sex are not valid criteria for evaluation. In fact, the standards can not exclude certain employees from evaluation, this includes length of service and current assignment. The acceptable standards used must apply to the employees ability to accomplish specific tasks required to perform their jobs (IFSTA, 1989).

Mark Murphy, J.D. in his CFC Magazine article (1999) suggests that employers include these legal guidelines in their evaluation process:

- keep all evaluations objective, honest and well documented
- type all evaluation responses and comments. Never hand write anything, especially in pencil
- never include comments that pertain to an employee's race, sex physical appearance or personal style
- strictly adhere to the established evaluation procedures, especially as they pertain to the timing of the evaluation, who is to conduct them and how employee input is to be received and responded to
- have the evaluation policies and procedures reviewed by an attorney

When starting a performance evaluation program, careful consideration must be given to the labor environment of the organization. Many states have subjects of mandatory bargaining for which performance evaluations may fall under. In these cases, careful and close work with the labor organization will help to draft a program that everyone can work with.

Performance Factors

The performance factors or the criteria against which the employee will be judged must be specific. As the employee and the supervisor agree to what has to be accomplished they need to establish goals and set the standards that will help them get there. The goals that an employee might set are for their own personal growth and development. These goals should be measurable and attainable. The standards by which we judge the performance of an employee against should not be arbitrary. The use of recognized standards that are nationally accepted help provide the guidelines used in employee evaluation (IFSTA, 1989).

Each position has many dimensions (tasks or abilities) that need to be evaluated. The evaluation process can be simplified by requiring the rater to evaluate each relevant performance dimension (Daft, 1994). These dimensions can include characteristics that an organization may wish to see exhibited by each of its employees. Laford (1998) suggests determine how these characteristics fit into the organization's goals and then use them in the evaluation:

- Efficiency
- Receptive to Ideas
- Job Knowledge
- Reliability
- Availability
- Personal Development
- Department Drills and Training
- Emergency Work
- Leadership
- Adheres to Policy
- Interpersonal Relationships
- Safety and Judgement

When rating employees, regardless of what performance factors are being used, it is critical for all supervisors to observe and document employee performance all year long (Thaxon, 1999).

Summary

The purpose of the employee evaluation is to assist the employee with personal development while maintaining the objectives of the organization. The organizational objectives should be based on standards and known desirable characteristics expressed by the organization. The literature review provided several “checklists” that can be used to determine whether an evaluation system should be used and what to be cautious of. Each author referenced the need to keep the evaluation fair, consistent and job related. Only one author suggested characteristics that should be considered for inclusion in the employee evaluation.

While there are no legal requirements for conducting employee evaluations, if they are to be done, they should be complete and supported by documentation obtained throughout the rating period. As one author stated, “Because the performance evaluation process can be a virtual landmine of liability, approach the process cautiously”.

PROCEDURES

Research Methodology

An action research methodology process was used to conduct in depth research utilizing sources from both the fire service and the business community. Several published resources were available through the local public library system and the Internet. The legal concerns for the fire service and the business community are the same.

The difference between these two sources however is found in the area of performance factors. Most business related information focused on goals and quotas while the fire service research focused on job performance. Research was used to answer questions about the benefits and problems associated with employee evaluations, the legal considerations for such systems and what are the recommended performance factors.

Limitations

The primary limitation to this research was the lack of resources that outlined specific performance factors to be included in the evaluation. A search of the Learning Resource Center at the National Emergency Training Center in Emmitsburg, MD found that there has been very little research done on this topic. Most sources cited in the research were located as part of an employee relations chapter rather than a stand-alone subject.

The fact that the business sources focused on the quantitative goals posed a slight limitation to the research. Again, this limited the ability for the researcher to gather performance factor information.

FINDINGS AND RESULTS

What are the problems and benefits to conducting performance evaluations?

The problems that are encountered by conducting performance evaluations are directly related to the rater. According to Thaxon (1999), the five major evaluator errors are:

- Overly positive evaluations
- Overly critical evaluations
- Uniformly neutral evaluations
- Single event evaluations
- Most recent event evaluations

Because most raters make these mistakes, they often appear to be unfair and not objective in their evaluations. Couple these mistakes with the fact that most raters do not provide specific comments and the potential to promote employee development may be lost. (Bacal & Associates, 1999).

The reasons for conducting the evaluation are best summarized by Daft (1994) who states a “performance appraisal comprises the steps of observing and assessing employee performance, recording the assessment and providing feedback to the employee”. According to the literature, there are many benefits to conducting employee performance evaluations. The ten benefits listed by Randi Sachs in her 1992 book meet the five objectives for conducting employee evaluations listed by the International City Managers Association. The ten benefits to conducting employee evaluations as listed by Randi Sachs (1992) are:

- Employees learn of their strengths and weaknesses
- New goals and objectives are agreed upon
- Employees can be active participants in the evaluation process

- The relationship between the supervisor and the employee is moved to an adult-adult level
- Work teams may be restructured for maximum efficiency
- Employees renew their interest in being part of the organization
- Training needs are identified
- Time is devoted to discussing quality of work without regard to money issues
- The supervisor becomes more comfortable with conducting evaluations
- Employees feel that they are taken seriously as individuals and that the supervisor is concerned about their needs and goals

What are the legal considerations in regards to conducting annual performance evaluations?

There are no legal requirements for conducting employee performance evaluations, however most authors suggest keeping the evaluation consistent and evenly applied to all employees. The concern expressed by the literature is that employers not discriminate against any class of employee. There is a certain liability assumed by conducting these evaluations.

Mark Murphy (1999) suggests that employers include these legal guidelines to protect themselves in their evaluation process:

- keep all evaluations objective, honest and well documented
- type all evaluation responses and comments. Never hand write anything, especially in pencil
- never include comments that pertain to an employee's race, sex physical appearance or personal style

- strictly adhere to the established evaluation procedures, especially as they pertain to the timing of the evaluation, who is to conduct them and how employee input is to be received and responded to
- have the evaluation policies and procedures reviewed by an attorney

The absence of employee evaluations can expose the employer to liability as well. Van Thaxon, (1999) suggests “The absence of performance evaluations may suggest that you (employer) made no effort to work with the employee and to improve his performance”.

Mandatory bargaining may impact an organization’s ability to institute an employee evaluation program. In these situations employers and labor representatives must work together to create a document that can work for everyone.

What performance factors should be included in annual performance evaluations?

The literature suggested that all performance evaluations be based on measurable standards. There were no suggested performance factors identified by the literature. Robert Laford(1998) suggested the following performance characteristics that could be fit into the evaluation process:

- | | |
|------------------------|----------------------------------|
| • Efficiency | • Department Drills and Training |
| • Receptive to Ideas | • Emergency Work |
| • Job Knowledge | • Leadership |
| • Reliability | • Adheres to Policy |
| • Availability | • Interpersonal Relationships |
| • Personal Development | • Safety and Judgement |

An outcome of this research, as found in Appendix A, is a position statement recommending that the Stoughton Fire Department begin work on developing an employee evaluation system.

DISCUSSION

The researcher did not encounter any unusual findings in the course of this research. There was however, little information available on what performance factors should be included in an employee evaluation. There was a great deal of information available on how to conduct the evaluation and how to prepare the supervisor for performing evaluations.

Benefits

The benefits to conducting evaluations have been assumed by many people. Most employees do not look forward to this process because it typically had a negative connotation to it. “The most productive way to harness the individual’s potential is to align the requirements of the organization with the aspirations and skills of the individual. The best way to monitor this alignment is with employee evaluations”(IFSTA,1989). Involving the employee in the process and truly using this tool to align the employee’s goals with those of the organization is critical.

The International City Managers Association in their Managing Fire Services (1979) list five objectives of an employee performance appraisal as:

- 1) to provide evaluative feedback to management and the employee about their compliance with rules and productivity expectations

- 2) serves as a foundation for guidance and identifies areas of needed professional development
- 3) to discover personnel with talents or abilities for special assignments
- 4) to justify adjustments in compensation or position
- 5) to foster a Management By Objectives program

Negatives

There are two major negatives that impact employee performance evaluations. Notably, the first is the actual rater who is generally the supervisor. They can make or break an evaluation system. Raters that are generally too soft or too weak will not be helping the member or the organization because their evaluation will not be a true picture of the employee's performance. This can be overcome by providing them with training on how to conduct evaluations and how to make them worthwhile. Sachs (1992) listed as one of the ten benefits of conducting evaluations as "the supervisor becomes more comfortable with conducting evaluations".

The second is that evaluations tend to be solely negative and subjective. The rater fails to recognize the need to emphasize the positives and keep personality traits out of the equation. The evaluation document can help overcome this problem by listing desirable characteristics and dimensions to help the rater make the appropriate choice.

Legal Considerations

The research revealed more legal considerations than were expected. The fire service is constantly looking for ways to reduce liability but overlooks the area of employee relations. It would appear that since most employees are covered under some form of civil service division

that, most fire departments feel that employee evaluations are really not necessary. The research showed just the opposite to be true. Documenting and informing employees of problems can be critical in employee discipline proceedings. Van Thaxon, (1999) suggests “The absence of performance evaluations may suggest that you (employer) made no effort to work with the employee and to improve his performance”. This can further be used against a department in termination hearings by suggesting that you terminated an employee for reasons other than their performance.

The impact of mandatory bargaining for the creation of employee evaluations is real. The labor representatives must be consulted and included in the creation of any type of employee evaluation.

Performance Factors

The research recommended no specific performance factors for inclusion in performance evaluations. It was interesting to note that all of the fire service references used suggested that the evaluations be based on state or national standards and not those generated by the department, while the business sources obviously focused on goals or quotas. The characteristics provided by Laford (1998) will help determine the performance factors or personal characteristics that an organization may want included in a evaluation.

RECOMMENDATIONS

What are the problems and benefits to conducting performance evaluations?

The research revealed that the person doing the rating created all of the problems related to conducting performance evaluations. Raters are generally inconsistent in how they evaluate their employees. This must be addressed before an evaluation program can be put into place through rater training. There are several methods of conducting an evaluation and techniques that should be used by the rater. These are not presented here as they exceed the scope of this research.

There are many benefits of conducting performance evaluations. The most important however, is to get the employee and organization working toward the same goal. Employees must participate in setting their own goals and these goals should work toward the ultimate goals of the organization. In this spirit, any new evaluation program should be developed with employee input. The creation of this new organizational goal must include the personnel that will be evaluated and those performing the evaluation.

What are the legal considerations in regards to conducting annual performance evaluations?

As part of the identified training need, the consistency issue must be addressed in order to avoid the common pitfalls that seem to effect the legal aspects of conducting performance evaluations. Raters must be made aware of the potential legal liability for the organization by poorly done evaluations.

During an employee's probationary period, conducting evaluations is critical for their development and for the legal protection needed in the event that the employee was not recommended for permanent appointment. Without an evaluation, an organization might be stuck with an employee that can not provide equal input into the organization. For the Stoughton Fire Department, the impact of a positive or negative evaluation does not effect the salary adjustments of any employee except those on probation during their first year of employment. How the subject of mandatory bargaining might impact the development of an evaluation system must be researched further.

What performance factors should be included in annual performance evaluations?

All performance factors must be based on accepted standards and equally applied to everyone in that same classification. There may also be employee characteristics that an organization might wish for its employees to display. These characteristics must be defined and fully understood by the entire organization so that they can be equally applied to everyone. The best form of accepted standard is the job description for the position being evaluated. Everyone in that classification is being then graded against his or her position and not one another.

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APPENDIX A

The Stoughton Fire Department shall begin to immediately develop a program for evaluating all employees. A committee will be established with representation from each rank, Local 1512 and the Fire Chief to see this process through from start to finish. Before implementation, the town and the labor organization must agree on the final document.

The Training Officer will be directed to establish a series of rater training sessions for inclusion in the monthly officers meeting. These training sessions should not begin until the program is seventy-five percent complete and should include information provided from the references found in the EFO Applied Research Paper by William Stipp entitled “ Employee Performance Evaluations, Good or Bad?”.

The committee will examine the job description for each rank, the appropriate state and national standards for firefighting and define the appropriate characteristics that are to be evaluated. The committee is strongly encouraged to seek out evaluation forms from other agencies to determine the best format and performance factors to be evaluated.